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The situation in Central America: procedures for the establishment of a firm and lasting peace and progress in fashioning a region of peace, freedom, democracy and development

The situation in Central America

Report of the Secretary-General

I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 54/118 of 15 December 1999. It covers developments relating to progress achieved by Central American countries in the areas of peace, freedom, democracy and development since the issuance of my previous report of 3 September 1999 (A/54/311).

2. The General Assembly has discussed the situation in Central America every year since 1983. On 7 August 1987, the leaders of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua pledged in an agreement known as Esquipulas II (A/42/521-S/19085, annex), to embrace democratization and national dialogue, to end armed conflict and to ensure free and fair elections. In February 1989, those countries asked the United Nations to verify the agreements stemming from Esquipulas II.

3. Today the isthmus is in a better social, political and economic situation than it was 10 years ago, thanks to the efforts of the Governments and peoples of Central America, as well as the support provided by the international community, both bilaterally and through the United Nations. Although serious problems and social inequities persist, most of the region is now in a position to consolidate strides taken to ensure peaceful means for the resolution of the conflict and the free exercise of democratic liberties, to fortify democratic institutions and to firmly embed the rule of law. On the basis of these new foundations, Central Americans are now addressing the structural inequalities that gave rise to conflict in the 1980s, the eradication of which is a prerequisite for sustainable development and social peace in the decades to come.

4. Two peacekeeping missions with Security Council mandates have been deployed in Central America: the United Nations Observer Group in Central America (ONUCA) (November 1989-January 1992) and the United Nations Observer Mission in El Salvador (ONUSAL) (July 1991-April 1995). Both missions were mandated to verify compliance by Salvadoran authorities and the Frente Farabundo Martí para la Liberación Nacional (FMLN) with the peace agreements signed in January 1992. Five years later, the Security Council, by its resolution 1094 (1997) of 20 January 1997, authorized a group of military observers to join in the work of the United Nations Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala (MINUGUA). Deployed from March to May 1997, these observers verified the demobilization

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of combatants of the Unidad Revolucionaria Nacional Guatemalteca (URNG).

5. The United Nations has also engaged in peace-making efforts in the region under General Assembly mandates: the United Nations Observer Mission to Verify the Electoral Process in Nicaragua (ONUVEN), which functioned between August 1989 and April 1990; and MINUGUA, which was established by General Assembly resolution 48/267 of 19 September 1994, and which continues its operations in the region to the present time. After the agreement on a firm and lasting peace was signed on 29 December 1996 (A/51/796-S/1997/114, annex II), the Assembly renewed the mandate of MINUGUA, changing its name to the United Nations Verification Mission in Guatemala, and expanding its mandate to include the verification of all the peace accords (see A/51/198 B of 27 March 1997). The mandate of MINUGUA has been approved every year, from March 1997 until 31 December 2000, to be concurrent with the implementation timetable. However, the four years initially scheduled by the agreements for the completion of the implementation process have elapsed and a considerable number of outstanding commitments remain to be accomplished. The parties to the agreements have requested that the United Nations continue to support the consolidation of the peace-building process through 2003. I have submitted to the General Assembly my recommendation (A/55/389) that MINUGUA continue to verify the peace accords and provide good offices, public information and advisory and support services.

6. In the light of progress made in consolidating peace in El Salvador and implementing the accords, ONUSAL was replaced in May 1995 by a smaller mission, the Mission of the United Nations in El Salvador (MINUSAL). A year later, MINUSAL in turn gave way to the United Nations Office of Verification in El Salvador, which, pursuant to resolution 51/199 A of 17 December 1996, was reconfigured into a "support unit", which functioned from 1 January to 30 June 1997. Following the adoption of resolution 51/199 B of 31 July 1997, the unit consisted of two internationally recruited professionals within the office of the United Nations Development Programme (UNDP) in El Salvador. This unit was charged with monitoring outstanding aspects of the peace accords, while responsibility for verification and good offices remained with United Nations Headquarters. During 1998, this unit was further reduced and its mandate extended for a final six-month period, as recommended in my letter dated 15 December 1997 to the President of the General Assembly (A/52/731). As you will recall, the unit in El Salvador was closed on 30 June 1998, following consultations with the parties to the agreements, which agreed that UNDP would be entrusted to follow issues pending.

7. In its resolution 54/118, the General Assembly made reference to a new stage of consolidating peace and democracy in Central America and requested the Secretary-General to lend his full support to regional Governments in the implementation of a new, comprehensive sustainable development programme and in promoting the establishment of the Central American Union. Most programmes and agencies of the United Nations system continue to provide technical assistance and considerable resources to Central America within country and regional programmes. While significant steps have been taken to integrate the countries and peoples of the isthmus, during the process numerous and complex challenges have been encountered. Disparities between rich and poor, men and women, urban and rural areas, indigenous and non-indigenous thwart the consolidation of peace and democracy. The United Nations system is supporting initiatives to close these gaps. Special attention is being given to building institutional and human capacity and solidifying the rule of law.

II. Central American process

Electoral processes

8. A new Government took office in Guatemala on 14 January 2000, following the first general election (November-December 1999) held since the peace agreements were signed in December 1996. Guatemalans voted for President and Vice-President, 113 members of Congress, 330 mayors and 20 delegates to the Central American Parliament. The new Cabinet now seeks to consolidate the outstanding peace agenda in this next phase of the peace process. For the first time since it was transformed into a political party in December 1998, URNG fielded candidates in a general election. International observers, including representatives of the United Nations, the Organization of American States (OAS), the European Union (EU) and non-governmental organizations (NGOs) reported

the elections to be free and fair and without major incident. Ongoing verification of political rights by MINUGUA has exposed the need to deepen electoral reforms to increase voter participation and improve conditions for the free exercise of political rights. To that end, the approval by Congress of the Political Parties and Electoral Law remains crucial, as stated in the eleventh human rights report submitted by MINUGUA to the General Assembly (A/55/174).

9. Congressional and municipal elections took place in El Salvador on 12 March 2000 and voting proceeded without incident. At stake were 84 seats in parliament, the offices of 262 mayors and seats of 20 delegates to the Central American Parliament. However, 62 per cent of the nation's three million voters chose not to cast a ballot in those elections. Implementation of the electoral reforms agreed to in 1995 would go a long way towards encouraging participation in the democratic process and ensuring pluralistic representation. Both the peaceful fashion in which the polling unfolded and the voting patterns exhibited are healthy signs that the rancour of the past has been replaced by a new political maturity. Each political party organized committees to ensure the transparency of the process on election day.

10. In Nicaragua, municipal elections will take place on 5 November 2000 under new electoral rules contained in a December 1999 amendment to the constitution. It is noted, however, that the new electoral law may not favour the creation of small political parties and alliances.

11. The strengthening of citizen participation in electoral and other political processes, in particular by women and indigenous peoples, is assuming greater urgency. It is hoped that reformed electoral regulations will foster increasingly democratic and pluralistic processes. In this regard, democratic governance is fundamental to ongoing efforts to achieve regional stability.

Public security and human rights

12. The region's deteriorating public security situation is considered a major threat to the enjoyment of fundamental rights. The rise in common crime and social violence is linked to the inability to investigate and punish crimes and human rights violations. Regional and international criminal networks pose an additional challenge to the still fragile public security structures. The trafficking in firearms is a constant threat to security.

13. Irregularities and long delays in the processing of accused persons undermine public confidence in the judicial process. Prison reform is urgently needed, in particular the approval of new legislation, the training of personnel and upgrading of the infrastructure. There are disturbing manifestations of the persistence of impunity. Acts of "social cleansing" and "lynching" continue. In addition, domestic violence and violence against women continue to be acute problems.

14. The establishment in El Salvador and Guatemala of the National Civil Police, bringing public security forces under civilian control, represents one of the most important achievements of the peace agreements and a key element of the democratization process in the region. In Guatemala, Congress approved legislation allowing for joint patrols by the police and the army. Similar joint patrols are conducted in rural parts of El Salvador. The urgent need to address the population's feelings of insecurity should not be made at the cost of re-militarizing public security, which contravenes the peace agreements in both countries. The participation of police officers in criminal acts and human rights violations seriously undermines the credibility of the security forces. Salvadoran authorities have recently established a special commission to strengthen discipline and internal control mechanisms. In Guatemala, the Office of Professional Responsibility within the National Civil Police fulfils similar functions. However, the Office should be strengthened with adequate resources in order to improve its performance and any information implicating police agents in criminal acts should be transferred to the Public Prosecutor's Office. Establishing a truly democratic public security policy based on the rule of law, human rights standards and the concept of public service is an ongoing challenge.

15. Criminal investigative capacity is still deficient throughout the isthmus, giving rise to numerous due process violations and lack of public confidence in the administration of justice. The adoption in Guatemala of the Career Judicial Service Act, together with the setting up of the ad hoc commission on the strengthening of the justice system, should serve to strengthen the rule of law. In Honduras, a high-level committee established to oversee reform of the justice sector is expected to launch a concrete proposal in the coming months. The inadequacy of the national

penitentiary systems is being progressively addressed by means of new legislation and increasing budgetary allocations. However, serious deficiencies in infrastructure, trained personnel and prison security persist, leading to overcrowding and deplorable living conditions for the inmates. Lengthy periods of pre-trial detention remain a problem throughout the region.

16. Meeting for the twelfth time in March 2000, Central American ombudsmen made a collective call to the region's Governments to ensure that globalization does not negatively impact the enjoyment of social, economic, cultural and political rights. The ombudsmen recommended a cautious approach towards privatizing basic services such as health, education, housing and communications, in order to avoid increasing extreme poverty. At the national level, the ombudsmen play a central role in the defence of democracy and the rule of law by ensuring public accountability of government actions. For this reason, it is important that the independence of these institutions be strengthened and that problems related to the lack of leadership and proper funding be adequately addressed. The recent establishment in Nicaragua of the Ombudsman's Office represents an important development. During its first year of existence, the Office has already made an important contribution to the rule of law.

Peace and human development

17. The most recent Human Development Index issued by UNDP illustrates the continuing inequalities in the region, which are an obstacle to consolidating peace and enhancing the quality of life for all Central Americans. Leading the region on the index is Costa Rica (48), followed by Belize (58), Panama (59), El Salvador (104), Honduras (113), Nicaragua (116) and finally, Guatemala (120). Without closing the gaps within Central American society, democracy and socio-economic development are not possible. Today, peace in Central America means not the end to conflict, but ensuring that human development translates into a decent standard of living, access to food, health care, education, work and housing. International partners have granted significant resources to ensuring these aspects of human development in the region. At the same time, resources are being allocated to strengthening the democratic system through its institutions and the promotion of sound democratic governance.

18. Hurricane Mitch, which devastated parts of Central America in October 1998, revealed the region's extreme social and ecological vulnerability. Therefore, when UNDP's medium-term support plans were discussed in Antigua in March 1999, the importance of strengthening democracy and the rule of law, promoting respect for human rights and preventing natural disasters was reaffirmed. The follow-up meeting of the Consultative Group for the Reconstruction and Transformation of Central America held in Stockholm from 25 to 28 May 1999, reinforced this focus, which has become the framework for development in the region. It specifies that reducing social and ecological vulnerability is the principal objective. Furthermore, the consolidation of democracy and good governance should reinforce decentralization with the active participation of civil society.

19. After the meeting of the Consultative Group in Stockholm, national follow-up meetings were held for Costa Rica, Honduras and El Salvador in February 2000. Consultative Group meetings for Guatemala and Nicaragua are scheduled for later in 2000. A regional Consultative Group meeting will be held in January 2001 in Madrid. The national meetings recognized significant progress in the process of reconstruction in all the countries examined. It was also recognized that the agenda of transformation, including strengthening of democratic governance, transparency, environmental protection and poverty reduction, should become the focus of national efforts with the support of the international community.

Regional and extraregional trade and economic cooperation

20. According to the Economic Commission for Latin America and the Caribbean (ECLAC), the gross national product (GNP) for the Central American region grew by 3.4 per cent in 1999 compared with 4.4 per cent in 1998. This drop mirrored similar stagnation throughout Latin America and the Caribbean. The international financial crisis continued to adversely affect the Latin American and Caribbean region, leading to a sharp decrease in capital inflows, along with a high volume of interest and dividend payments abroad. Although in certain aspects the Central American region fared better than the rest of Latin America and the Caribbean, there were major disparities in economic performance between countries. The GDP growth rates ranged from a high of 7.5 per

cent in Costa Rica to a low of 2 per cent in Honduras. The major factor in this contraction was the devastation caused by Hurricane Mitch in October 1998. Overall, however, the 1990s brought significant economic growth to Central America.

21. Advances have been made in the area of structural economic reform. Nevertheless, the capacity of Governments to transform and create sustainable economic growth depends largely on reducing the burden of external debt. In July 2000, the International Monetary Fund (IMF) and the World Bank agreed to support a comprehensive debt reduction package for Honduras under the heavily indebted poor countries debt initiative. It is hoped that the donor countries that have committed themselves to debt relief will carry out their pledges and that the Governments of the region will strive to enact the reforms necessary to ensure sustainable economic growth with increased transparency and accountability. However, debt relief should not be a substitute for official development assistance — the two should work in tandem for sustainable human development.

22. As a sign of increasing trade and cooperation within and outside the region, in May 2000 the three "northern triangle" countries, El Salvador, Guatemala and Honduras, signed a free trade agreement with Mexico. The agreement commits these countries to pursue regional trade liberalization to further economic integration in the western hemisphere. In the same month, the United States of America extended the benefits of the Caribbean Basin Initiative to a number of Central American countries, ensuring increased duty-free access for these countries to the United States market. In addition to these recent agreements, cooperation continues or is projected with the European Union, the Andean Community (Bolivia, Colombia, Ecuador, Peru and Venezuela), and Canada.

23. On 15 and 16 May 2000, Colombia hosted the fourteenth Summit Meeting of Heads of State and Government of the Rio Group. For the first time, the individual Central American countries participated in the summit, with heads of State from Latin America and the Caribbean. The role of the United Nations, personal and environmental safety and the reform of the international financial system dominated the agenda. The Rio Group was established in 1986 as the four member Contadora Group (Colombia, Mexico, Panama and Venezuela), designed to promote peace in Central America. The re-named Rio Group, now numbering 19 States, serves as a mechanism for political coordination in Latin America.

24. Ministers of Trade from six Central American countries met in Panama in March 2000 to continue discussions on a regional free trade agreement. At the meeting, Ministers from Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua began talks with Panama on a comprehensive trade pact. Panama has expressed interest in a free-trade agreement with the Central American Common Market, and it is hoped that this can be achieved by the end of 2000. Pushing forward with the integration process will be crucial for ensuring global competitiveness.

Regional institution-building

25. Closer regional integration remains the key to consolidating peace and fostering development in Central America. The Central American Presidents met in Guatemala City on 18 and 19 October 1999 and signed the Declaration of Guatemala II (A/54/630, annex). The Declaration proposes a regional effort to crack down on money laundering and to protect the region from future global financial crises through adequate banking regulation. The summit leaders also agreed to support foreign-debt relief for Honduras and Nicaragua. The Declaration, inter alia, expressed support for the full transfer of control of the Panama Canal to the Government of Panama, as well as measures to prevent or reduce damage from natural disasters such as Hurricane Mitch in 1998. A framework agreement on a free-trade treaty was also signed with Chile. The twenty-first summit of the Central American Presidents will be held in Costa Rica later in 2000.

26. The secretariat of the Central American Integration System (SICA) continues to work towards the execution and coordination of the mandates established at the summits of the Central American Presidents, as well as the decisions of the Council of Ministers of External Relations. On 2 May 2000, the Presidents of El Salvador, Guatemala and Nicaragua signed an integration pact, the Declaración Trinacional para el siglo XXI, containing economic and political proposals to accelerate the integration process. It is hoped that all of Central America will continue to work together in this process. Furthermore, at a meeting of Ministers for Foreign Affairs from Central American States in Panama that same month, the Ministers explored ways to advance the goal of regional

integration established by SICA. The Ministers also reviewed the achievements to date stemming from the Alliance for Sustainable Development, established in 1994. Discussions have also continued among the Central American countries in the area of security cooperation and border disputes.

III. Organization of American States

27. The Ministers of External Relations of the Central American countries attended the thirtieth regular session of the General Assembly of the Organization of American States, which was held in Windsor, Canada, from 4 to 6 June 2000. The session focused on democracy and human security, adopting various resolutions on Central America, and, in particular, reaffirming the need to continue joint efforts between the OAS and SICA secretariats. Furthermore, the Assembly adopted a resolution for the continued support of the programme for mine clearing in Central America, as well as the Special Programme of Support for Guatemala. Finally, the Assembly resolved to establish a permanent fund for the peaceful resolution of territorial disputes among member States.

Bilateral issues: border disputes

28. A series of border disagreements have created tension, diplomatic clashes and some sporadic incidents along both maritime and land borders in the region. These disputes involve Belize, Costa Rica, Guatemala, Honduras and Nicaragua. Tensions between Honduras and Nicaragua flared on 30 November 1999 when Honduras ratified the Ramírez-López Treaty, which it had negotiated with Colombia in 1986. Belize and Guatemala's longstanding border dispute stems from Guatemala's disavowal of an 1859 treaty establishing the borders. Costa Rica and Nicaragua also disagree over the interpretation of transit rights on the San Juan River under the 1857 Cañas-Jérez Treaty.

29. OAS has played a leading role in reducing tensions and seeking a political solution to these controversies. In the case of Honduras and Nicaragua, OAS appointed a special envoy who was instrumental in arranging confidence-building measures, such as a pull-back of forces, joint naval patrols and the demilitarization of the border. Under the auspices of the Secretary-General of OAS, Costa Rica and Nicaragua recently reached an understanding on the San Juan River. Belize and Guatemala agreed recently to resume talks and technical meetings through the creation of a mixed commission formed by five representatives from each country, the naming of a panel of facilitators and the forging of links between the Guatemalan military and Belizean police. Finally, Nicaragua asked the International Court of Justice to demarcate its maritime limits with Honduras.

30. The determination exhibited by Central American Governments to solve these issues by peaceful means, either political or legal, is to be commended. The potential of these disputes to destabilize the integration process, as well as their impact on intra-regional trade and each country's global competitiveness, should be carefully considered by Central American leaders. It is to be hoped that the engagement of the Governments in constructive dialogue to solve the issues at stake will advance regional peace and stability, bypassing any reversal of what has already been achieved to guarantee firm and lasting peace in Central America.

IV. United Nations

United Nations in El Salvador

31. In tandem with the gradual implementation of the 1992 peace accords in El Salvador, United Nations verification and good offices functions have been steadily reduced. In 1997 and 1998, a small support unit housed within UNDP in San Salvador tracked compliance with outstanding provisions of the accords, while responsibilities for verification and good offices remained with United Nations Headquarters. As I informed the General Assembly in August 1998 (A/52/1008), that unit was closed on 30 June 1998. Since then, UNDP has been responsible for following up pending issues and assisting the parties in implementation, always in close collaboration with the donors. The Department of Political Affairs and UNDP have established a close partnership on El Salvador and this mechanism has functioned well over the last two years.

32. In my annual reports on the region to the General Assembly, I have continued to provide information on four commitments in the socio-economic area whose implementation has been protracted and problematic. I am now gratified to report that significant progress has been made in the three programmes related to the

transfer and legalization of lands and other property, namely: (a) the land transfer programme designed to provide a means of subsistence to landless peasants, in particular former combatants and their families; (b) the break up of holdings that exceed the constitutional limit of 245 hectares; and (c) the human settlements programme aimed at resolving multiple claims on some plots and legal recognition of property improvements made by squatters. Unfortunately, similar progress cannot be reported in the fourth outstanding area, the provision of benefits to handicapped combatants and the dependants of combatants killed during the conflict.

33. Issues related to land have been resolved to the point where the responsible institution, the Land Bank, has been dissolved and the residual responsibilities transferred to the Agrarian Reform Institute (ISTA). Working with peasant associations and UNDP staff, ISTA has shepherded the process nearly to completion. The parties have reached agreement on disputed properties in the land transfer programme, though some titles remain to be issued. Some property disputes have not been settled either because the owners refuse to sell; have demanded exorbitant prices; or the occupants do not wish to be relocated. ISTA is attempting to resolve the few remaining cases. Joint working groups continue to follow the legal and administrative procedures leading to the granting of titles and ownership of improvements to human settlements. ISTA is making a final effort to secure cooperation from the few property owners who do not wish to sell. With UNDP assistance, the parties reached agreement on 51 properties that exceeded the constitutional size limit; only one property remains under discussion. UNDP has recently re-entered the process in hopes of stepping up the assigning and transfer of these lands.

34. Little progress has been made over the years in fulfilling the obligation assumed by Salvadoran authorities to provide benefits to those left handicapped by the conflict and to the families of combatants killed during the war. The parties have been unable to agree on an agenda or methodology for completing the programme, or on the numbers of eligible beneficiaries. Each year, the agency charged with dispensing the benefits, the Fund for the Wounded and War-Disabled, returns unused allocated monies to the treasury. I am heartened that, at the suggestion of UNDP, the parties have now agreed to a medical-legal evaluation of those denied benefits to ascertain if appropriate criteria were used. I call on the parties, and in particular the Salvadoran authorities, to redouble their efforts so that this remaining outstanding area of the accords may also be brought to a satisfactory completion.

35. The country's deteriorating public security situation poses a threat to the quality of life of all Salvadorans. The proliferation of weapons throughout society coupled with evidence of widespread criminality within the Salvadoran National Police is cause for serious concern. One sign of hope is the recent establishment by Salvadoran authorities of a special commission to augment the Inspectorate General of the Salvadoran National Police, whose own efforts to rid the force of criminal and inappropriate elements had not had the desired impact. It bears recalling that the National Police is one of the most important achievements of the peace accords and of the many years of hard work by public security officials in collaboration with the international community. Reflecting the public security model ensconced in the accords, that of a rights-respecting, civilian-run force, the Police should embody the country's commitment to reconciliation, professionalization and the rule of law. There are now serious indications of a departure in that public security model, and I call on the parties to renew their commitment to the spirit of the accords in this key area. One institution that could assist in this regard is the National Council for Public Security, which is still striving to fulfil its intended role.

36. In my last report I expressed my sincere wish that the role of the ombudsman would be maintained and strengthened, and I have been disheartened over the past year by evidence to the contrary. The Office of the Ombudsman was designed as a central institutional guarantee that the human rights of all Salvadorans would be protected. With other essential institutions in the justice and public security sectors, the Office of the Ombudsman is an indispensable player in a society based on the rule of law. Now, some eight years after its founding, the institution has yet to consolidate and for long periods has languished without proper leadership and without extending its protection throughout the country. It is to be hoped that the parties will be mindful of the solemn commitment made in this area as new leadership begins the process of rebuilding this pivotal institution.

37. The United Nations remains committed to accompanying El Salvador in its next phase of peace-building. I call, in particular, on the parties to the country's historic peace accords to redouble their

efforts to honour their pledge to implement both the letter and spirit of the agreement. In that regard, I note that much remains to be done to implement the recommendations of the Truth Commission, which are binding. Also outstanding is the enactment of an agrarian code, which should help rectify problems in this fundamental sector of the economy on which the livelihood of so many Salvadorans depends.

38. In the next period I shall continue to entrust UNDP with tracking implementation of pending aspects of the peace accords and providing assistance to the parties to that end. The United Nations resident coordinator, currently the UNDP resident representative, will continue to coordinate this process while verification and good offices functions will, in keeping with tradition, be carried out by United Nations Headquarters.

United Nations in Guatemala

39. March 2000 marked the tenth anniversary of the direct involvement of the United Nations in the Guatemalan peace process. This involvement was a response to the wishes of the parties and to the commitment of the international community as a whole to the Central American peace process initiated at Esquipulas. The 1996 Agreement on a Firm and Lasting Peace (A/51/796-S/1997/114, annex II) provided the framework for the peace-building process in Guatemala. Within that framework, MINUGUA, which had been monitoring human rights since 1994, received a broader mandate to support peace-building through verification, good offices, public information and advisory and support services.

40. The parties originally agreed that the agreement could be implemented within four years, however, due to the relevance and extent of the outstanding agenda, the parties have requested that the United Nations continue to support the consolidation of the peace process through 2003, with a special focus on socio-economic issues, rural development, strengthening of civilian power and various forums for increased citizen participation. The parties have requested that Mission activities continue in 2001 and 2002, with the gradual scaling down of operations to a concluding stage in 2003, an electoral year. This three-year period will lay the groundwork for strengthening coordination within the United Nations system and with other partners in the international community, in the hope that all international actors will fully integrate the peace agenda into their activities.

41. As I outlined in my fourth verification report to the General Assembly (A/54/526), covering the period between 1 August 1998 and 31 October 1999, and in my fifth verification report (A/55/175) covering the period 1 November 1999 to 30 June 2000, the implementation process had slowed. The Mission highlighted the need for electoral, fiscal, judicial and military reform and the need to pay special attention to commitments in the areas of labour, housing, sustainable integration and resettlement of displaced persons and demobilized combatants. MINUGUA called for stepped-up spending and services in education and health in areas most in need, while ensuring that programmes reflected Guatemala's multicultural, multilingual and multiethnic character.

42. I welcomed adoption of the fiscal pact for a future with peace and development, which establishes the basis for improving the ratio between the gross domestic product and taxes collected from the current 9 per cent to 12 per cent by 2002. Increased revenues would allow the State to increase public spending on the peace agenda. Building consensus and achieving adoption of the fiscal pact involved the input of all sectors of society, including the business sector, the political parties, the Government and civil society groups. Adjustment of the tax structure is being discussed and I am optimistic that the parties involved will reach agreements that will help finance essential aspects of the peace agenda. Supporting these reforms, UNDP is facilitating design of a new integrated financial system to control the national budget.

43. I reiterate the importance of fully implementing the Agreement on Identity and Rights of Indigenous Peoples as central to achieving lasting peace in Guatemala. The historic discrimination and exploitation of the indigenous populations has adversely affected their exercise of political rights, undermining their participation in the consolidation of peace. The construction of national unity, based on the multicultural, multiethnic and multilingual character of the country is essential.

44. During this period MINUGUA has continued to submit periodic reports on compliance with the Comprehensive Agreement on Human Rights, namely the tenth and eleventh reports on human rights (A/54/688 and A/55/174), covering the periods from

1 January to 30 November 1999 and from 1 December 1999 to 30 June 2000, respectively. The high priority given by the current Government to human rights obligations is commendable. Since taking office, the Portillo Government has recognized the State's responsibility in 52 cases before the Inter-American Commission of Human Rights and has agreed to explore their friendly settlement in compliance with the San José Pact. In addition, it has agreed to provide individual reparations in some cases. The Presidential Commissioner for Human Rights has also declared the State's intent to sign international human rights treaties.

45. However, there are signs of a qualitative deterioration in the human rights situation. Whereas individual complaints have declined significantly, human rights workers, journalists and judicial officials assigned to cases of past violations currently being prosecuted are subject to intimidation, harassment and threats. According to the Mission's verification, the National Civil Police has been involved in a number of cases of extrajudicial executions, torture and "social cleansing". MINUGUA also noted that measures such as joint military-civil patrols are not conducive to the demilitarization of society envisaged by the agreements, delay fundamental changes in the role of the army and weaken civilian institutions. In addition, a pattern of impunity persists while shortcomings in the judiciary lead to a significant number of violations of due process. Parallel investigations by other Government institutions at times hinder investigations.

46. During the past year, MINUGUA has followed up the implementation of the 84 recommendations of the report of the Commission for Historical Clarification. The Congress acted on one of these recommendations by declaring 25 February "Victims of Violence Day". One of the Commission's central recommendations was to establish a Commission for Peace and Harmony, to be composed of civil society groups and Government bodies, to follow up other recommendations of the report and to jointly pursue avenues towards national reconciliation. To date, Congress has not approved a bill establishing the Commission for Peace and Harmony, which would pave the way for additional exhumations of mass graves and the search for the disappeared, which include children.

47. It is encouraging that, upon taking office in January 2000, President Alfonso Portillo embraced the accords as an obligation of the State and pledged to reinvigorate the peace process by promoting social policies based on the accords. Equally important is the commitment shown by URNG to fully implement the peace agenda. Both consider the contribution of MINUGUA essential for completing the multifaceted exercise of peace-building initiated four years ago. In this endeavour MINUGUA will continue to maintain liaison with the international community and the United Nations system through 2003. I am hopeful that the new timetable will prove realistic and will be strictly respected. By addressing the root causes of the conflict, the peace agenda is establishing the foundations for the qualitative transformation of Guatemalan society towards greater democratization. It has become equally clear that this process of implementation faces complexities not anticipated by the parties to the agreements. It is a challenging process for the society as a whole.

United Nations operational activities

48. UNDP is now elaborating a regional strategy within the framework of the 1999 Stockholm Declaration on the effects of Hurricane Mitch. This strategy will focus on democratic governance, poverty and equality, protection of the environment and reduction of the region's vulnerability to natural disasters. This approach is obviously not new to UNDP, but should serve to consolidate work already in progress. A regional strategy for reducing disasters, which includes the five Central American countries plus Belize and Panama, has been drawn up. National plans for risk management and/or disaster reduction are also being formulated. In view of the vulnerability of the region, it is hoped that the international community will support this regional initiative.

49. Guatemalan civil society and, in particular, women's and indigenous organizations, have contributed policy proposals related to the peace accords with the support of UNDP and bilateral donors such as Denmark, Germany, the Netherlands, Norway and Sweden. The Nicaraguan Government, with support from UNDP and other donors, has created national forums with broad participation for the discussion of public policy. These forms of popular participation have advanced the reconstruction process and improved relations between the Government and civil society in both countries. It is to be hoped that these expressions of responsible and constructive citizen participation are taken into account at the policy

level. In order to strengthen civil society's role in the reconstruction and transformation at the regional level, UNDP is preparing a regional strategy on support to civil society.

50. It was reaffirmed in Stockholm that decentralization would advance citizen participation and promote more inclusive democracy. UNDP is therefore carrying out a regional study to determine how it can support this process. In Honduras, UNDP has supported a pilot project on decentralization that will expand during 2000 with support from Denmark. Considering the importance of decentralization to democratization, Governments should step up efforts in this area.

51. UNDP has supported and disseminated poverty studies to gather up-to-date information as a basis for developing anti-poverty strategies. The most important of these studies was a regional household survey carried out with the development banks. Poverty studies are also resources that enable civil society to perform its role as social monitor and constructive partner in decision-making processes. UNDP is assisting the Governments of Honduras and Nicaragua in preparing the poverty reduction strategy papers required by the World Bank in order to enter into relief programmes for highly indebted countries.

52. In Nicaragua, UNDP has supported the drafting of an environmental curriculum and is assisting some municipalities in integrating an environmental perspective into their development planning. On a national level, UNDP is promoting dialogue and consensus-building for an environmental policy and supporting the Government in formulating proposals. Especially in Honduras, the environmental agenda was deeply affected by Hurricane Mitch. Thus the focus has been on risk management, disaster prevention, sustainable rural development and watershed management.

53. UNDP has assisted Honduras and Nicaragua in preparing national reconstruction plans and monitoring their implementation. UNDP has emphasized the promotion of national capacity in key institutions such as ministries of finance, in particular transparency in the management of resources. In El Salvador and Guatemala, UNDP continues to work to modernize the justice sector to enable it to meet the demands of the new democracies and support the transition to a society based on the rule of law. In this context, UNDP is primarily focusing on institutional strengthening, reforming laws and procedures and training justice sector personnel. In Guatemala and Nicaragua, UNDP has made a special effort to support initiatives that increase the access of excluded populations to the justice system. In Guatemala, where a large percentage of those excluded are indigenous, an effort has been made to investigate how indigenous approaches can be incorporated into the formal system, especially alternative methods of conflict resolution.

V. Observations

54. Recent electoral contests in the region have unfolded peacefully and have been preceded by campaigns characterized by an open exchange of views. Yet voter turnouts continue to drop, suggesting a questioning of the democratic process and lack of faith in the power of the franchise. This dwindling participation underscores the need for transparent and responsive governance. Initiatives to broaden participation and promote political culture among the region's citizens are still needed. In some countries, electoral laws should also be reformed to encourage voters.

55. The high levels of delinquency and violence in the region are a major preoccupation for the population and obviously a source of instability in the new democracies. According to public opinion surveys, delinquency and personal safety top the population's list of concerns. These surveys also show that people have little confidence in public security and justice sector institutions. There has been a proliferation of weapons in the post-war period and attempts at weapons control are so far inadequate. Efforts to hold police officers to the highest standards should be redoubled and, when performance falls short, wrongdoers should be expelled. A strong Inspectorate General is crucial to a democratic, rights-respecting force, just as a strong, credible ombudsman is an important institutional guarantor to rights protection.

56. Economic disparities continue in the region, exacerbated by the natural disaster brought on by Hurricane Mitch, which exposed fragile ecosystems and seriously set back the development agenda. In the aftermath of the Hurricane, the nations of Central America came together with the United Nations system and bilateral donors to map out a comprehensive recovery plan laying the groundwork for sustainable

development and the prevention of future disasters. I call on the international community to maintain its commitment to Central American recovery. At the same time, countries on the isthmus must manage resources with full transparency and accountability.

57. Regional integration is crucial for consolidating peace and fostering development, as agreed upon by Central American leaders in Esquipulas II (1987), the Tegucigalpa Protocol (1991) and the Alliance for Sustainable Development in Central America (1994). Although there has been some progress and increased cooperation in various areas, including trade and coping with natural disasters, the overall integration process has begun to fragment over the last year. Greater political will is required by the Governments and civil societies of the region in order to adequately shape and advance the integration agenda through existing mechanisms and institutions.

58. The longstanding border disputes, some of which have flared up recently, are a lingering threat to peace in the region. Steps taken by some countries, under the auspices of OAS, to resolve these disputes are to be commended and I call on the leaders in the region to prioritize their settlement by peaceful means. Border stability is a key element of peace and security in the region and a crucial commitment to achieving the objectives of peace, reconciliation, democracy, development and justice, as established in the Esquilpulas Agreement in 1987. Violence or the threat of violence is neither conducive to further integration nor propitious to free commerce.

59. In El Salvador and Guatemala, peace accords were negotiated with the Organization's active involvement. At that time the United Nations made a commitment to accompany the parties as the agreements were gradually implemented. I would like to take this opportunity to reiterate that commitment as both countries enter a new phase of peace-building and tackle the root causes of conflict in the socio-economic area.

60. I would also like to express my solidarity and respect for the accomplishments of the people of Central America. Now, nearly two decades after our Organization first became involved in the region, it seems clear that the success of the peacekeeping operations was due to the comprehensive peace-building strategy put in place by Central American Governments and civil societies. Furthermore, the international community, through political and economic means, has consistently supported the exemplary engagement of local actors. As a result of this multifaceted effort, Central America is a region transformed. However, the effective completion of the peace-building stage continues to be a challenge for the consolidation of democracy in the region. We will continue to do our utmost to ensure that the United Nations accompanies the Central American peoples in this endeavour.